

LEND-LEASE¹

Exchange of notes at Washington September 3, 1942
Entered into force September 3, 1942

56 Stat. 1608; Executive Agreement Series 271

The Australian Minister to the Secretary of State

AUSTRALIAN LEGATION,
WASHINGTON, D.C.
September 3rd, 1942

SIR,

As contracting parties to the United Nations Declaration of January 1, 1942,² the Governments of the United States of America and the Commonwealth of Australia pledged themselves to employ their full resources, military and economic, against those nations with which they are at war.

With regard to the arrangements for mutual aid between our two governments, I refer to the agreement signed at Washington on February 23, 1942,³ between the Governments of the United States of America and the United Kingdom on principles applying to mutual aid in the present war authorised and provided for by the Act of Congress of March 11, 1941⁴ and have the honour to inform you that the Government of the Commonwealth of Australia accepts the principles therein contained as governing the provision of mutual aid between itself and the Government of the United States of America.

It is the understanding of the Government of the Commonwealth of Australia that the general principle to be followed in providing such aid is that the war production and war resources of both nations should be used by the armed forces of each, in the ways which most effectively utilize available materials, manpower, production facilities and shipping space.

I now set forth the understanding of the Government of the Commonwealth of Australia of the principles and procedure applicable to the pro-

¹ See also lend-lease settlement agreements of June 7, 1946 (TIAS 1528, *post*, p. 164), July 9 and Aug. 25, 1952 (5 UST 650; TIAS 2954); and Sept. 13 and Oct. 2, 1956 (reported in 38th Report to Congress on Lend-Lease Operations, p. 8).

² EAS 236, *ante*, vol. 3, p. 697.

³ EAS 241, *post*, UNITED KINGDOM.

⁴ 55 Stat. 31.

vision of aid by the Government of the Commonwealth of Australia to the armed forces of the United States and the manner in which such aid will be correlated with the maintenance of those forces by the United States Government.

1. While each Government retains the right of final decision, in the light of its own potentialities and responsibilities, decisions as to the most effective use of resources shall, so far as possible, be made in common, pursuant to common plans for winning the war.

2. As to financing the provision of such aid, within the fields mentioned below, it is my understanding that the general principles to be applied, to the point at which the common war effort is most effective, is that as large a portion as possible of the articles and services which each Government may authorize to be provided to the other shall be in the form of reciprocal aid so that the need of each Government for the currency of the other may be reduced to a minimum.

It is accordingly my understanding that the United States Government will provide, in accordance with the provisions of, and to the extent authorised under, the Act of March 11, 1941, the share of its war production made available to Australia. The Government of Australia will provide on the same terms and as reciprocal aid so much of its war production made available to the United States as it authorises in accordance with the principles enunciated in this note.

3. The Government of Australia will provide as reciprocal aid the following types of assistance to the armed forces of the United States in Australia or its territories and in such other cases as may be determined by common agreement in the light of the development of the war:

(a) Military equipment, ammunition and military and naval stores;

(b) Other supplies, material, facilities and services for the United States Forces except for the pay and allowances of such forces, administrative expenses, and such local purchases as its official establishments may make other than through the official establishments of the Australian Government as specified in paragraph 4.

(c) Supplies, materials and services needed in the construction of military projects, tasks and similar capital works required for the common war effort in Australia and in such other places as may be determined, except for the wages and salaries of United States citizens.

4. The practical application of the principles formulated in this note, including the procedure by which requests for aid by either Government are made and acted upon, shall be worked out as occasion may require by agreement between the two Governments, acting when possible through their appropriate military or civilian administrative authorities. Requests by the United States Government for such aid will be presented by duly authorised

authorities of the United States to official agencies of the Commonwealth of Australia which will be designated or established in Canberra and in the areas where United States forces are located for the purpose of facilitating the provision of reciprocal aid.

5. It is my understanding that all such aid accepted by the President of the United States or his authorised representatives from the Government of Australia will be received as a benefit to the United States under the Act of March 11, 1941. Insofar as circumstances will permit appropriate record of aid received under this arrangement except for miscellaneous facilities and services, will be kept by each Government.

If the Government of the United States concurs in the foregoing, I would suggest that the present note and your reply to that effect be regarded as placing on record the understanding of our two Governments in this matter.

I have the honour to be,

With the highest consideration, Sir,
Your obedient servant,

OWEN DIXON

The Honourable
CORDELL HULL,
*Secretary of State of the United States,
Washington, D.C.*

The Secretary of State to the Australian Minister

DEPARTMENT OF STATE
WASHINGTON
September 3, 1942

SIR:

I have the honor to acknowledge receipt of your note of today's date concerning the principles and procedures applicable to the provision of aid by the Government of the Commonwealth of Australia to the armed forces of the United States of America.

In reply I have the honor to inform you that the Government of the United States of America likewise accepts the principles contained in the agreement of February 23, 1942 between it and the Government of the United Kingdom as governing the provision of mutual aid between the Governments of the United States and of the Commonwealth of Australia. My Government agrees with the understanding of the Government of the Commonwealth of Australia as expressed in your note of today's date, and, in accordance with the suggestion contained therein, your note and this reply will be regarded as

placing on record the understanding between our two Governments in this matter.

This further integration and strengthening of our common war effort gives me great satisfaction.

Accept, Sir, the renewed assurances of my highest consideration.

CORDELL HULL
*Secretary of State of the United States
of America*

The Honorable
Sir OWEN DIXON, K.C.M.G.,
Minister of Australia.